

Senate Bill 88

By: Senators Rhett of the 33rd, Hill of the 4th, Harbison of the 15th, Sims of the 12th and Davenport of the 44th

A BILL TO BE ENTITLED
AN ACT

To amend Article 3 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to tax returns and furnishing of information, so as to authorize Georgia taxpayers to make certain voluntary contributions through the income tax payment and refund process to aid and assist service disabled veterans through a qualified service disabled veterans benefit organization; to provide for definitions; to provide for conditions and limitations; to require surety; to provide for the remittance of recovered funds to the general fund; to provide for the promulgation of rules and regulations; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 3 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to tax returns and furnishing of information, is amended by adding a new Code section to read as follows:

"48-7-64.

(a) As used in this Code section, the term:

(1) 'Qualified service disabled veterans benefit organization' means an organization has been certified by the commissioner as maintaining tax exempt status pursuant to Section 501(c)(3) or 501(c)(19) of the Internal Revenue Code and that in its prior tax year at least 95 percent of its expenses were spent on the programs or services it delivers, which shall not include administrative or fund raising expenses.

(2) 'Service connected disability' means a disability incurred or aggravated in the line of duty in the active military, naval, or air service of the United States.

(3) 'Service disabled veteran' means a veteran who is a permanent Georgia resident with a service connected disability as determined by the United States Department of Veterans Affairs or who has been terminated from military service by reason of disability by the United States Department of Defense.

(4) 'Veteran' means a person who served in the active military, naval, or air service of the United States and who was discharged or released from his or her service under conditions other than dishonorable.

(b)(1) Provided that a qualified service disabled veterans benefit organization enters into a contract with the Department of Revenue as specified in subsection (d) of this Code section, each Georgia income tax return form for taxable years beginning on or after January 1, 2019, shall contain appropriate language, to be determined by the state revenue commissioner, offering the taxpayer the opportunity to contribute to service disabled veterans through any qualified service disabled veterans benefit organization by donating either all or any part of any tax refund due, by authorizing a reduction in the refund check otherwise payable, or by contributing any amount over and above the amount of tax owed by adding that amount to the taxpayer's payment.

(2) The instructions accompanying the income tax return form shall contain a description of the purposes for which each qualified service disabled veterans benefit organization was established and the intended use of moneys received from the contributions, as well as notice that any contributions that are recovered from such organization for any reason shall be remitted to the general fund.

(3) Each taxpayer required to file a state income tax return that desires to contribute to a qualified service disabled veterans benefit organization may designate such contribution as provided in this Code section on the appropriate income tax return form.

(c) The Department of Revenue shall determine annually the total amount that is voluntarily contributed, shall withhold therefrom the full costs of administering such voluntary contribution program, and shall transmit such remaining amounts to the qualified service disabled veterans benefit organization.

(d)(1) In order to participate in this voluntary contribution program, a qualified service disabled veterans benefit organization shall enter into a contract for the present taxable year with the state, not later than October 1 of each year which provides that:

(A) If, in the tax year covered by the contract, the administrative costs of the Department of Revenue for collecting contributions pursuant to this Code section exceed the sum of such contributions, a qualified service disabled veterans benefit organization shall be responsible for and promptly pay any outstanding costs of the Department of Revenue not covered by the contributions;

(B) All contributions received by such qualified service disabled veterans benefit organization pursuant to this Code section shall be expended for the sole purpose of aiding or assisting service disabled veterans with their service connected disabilities which shall exclude, but such exclusion shall not be limited to, fund raising and administrative and operating expenditures;

64 (C) Any breach of the contract shall permit the commissioner to cease disbursement
65 of funds and seek any remedy available at law to recover funds from the qualified
66 service disabled veterans benefit organization;

67 (D) The qualified service disabled veterans benefit organization shall execute and file
68 with the commissioner a good and valid bond with a surety company authorized to do
69 business in this state in the manner deemed proper by the commissioner and in amount
70 determined by the commissioner to be sufficient to cover funds disbursed pursuant to
71 the contract; and

72 (E) The qualified service disabled veterans benefit organization shall be required to
73 reimburse the Department of Revenue for any department initiated audits relating to
74 this Code section; provided, however, that routine tax audits of a taxpayer of the
75 qualified service disabled veterans benefit organization shall not be included.

76 (2) Such contract shall be for the present tax year only, but may be renewed by a
77 qualified service disabled veterans benefit organization not earlier than July 1 or later
78 than September 1 in each subsequent year for that present tax year. In the event that a
79 qualified service disabled veterans benefit organization elects not to enter into or renew
80 such contract covering a tax year, no provision shall be made for contributions to the
81 organization in the income tax forms for such tax year. A qualified service disabled
82 veterans benefit organization that breaches a contract provided for by this Code section
83 shall not be eligible to renew or enter into a new contract for three taxable years.

84 (e) All funds recovered by the commissioner from a qualified service disabled veterans
85 benefit organization for any reason shall be remitted to the general fund.

86 (f) The commissioner shall require any information necessary from any applying,
87 renewing, or contracting organization and promulgate such rules and regulations as are
88 necessary to implement, administer, and enforce this Code section."

89 **SECTION 2.**

90 This Act shall become effective upon its approval by the Governor or upon its becoming law
91 without such approval and shall apply to all taxable years beginning on or after
92 January 1, 2019.

93 **SECTION 3.**

94 All laws and parts of laws in conflict with this Act are repealed.